



# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature  
Second Regular Session

Senate: FIN DPA 8-2-0-0 | 3rd Read 27-2-1-0

## **SB 1116: tax credit; foster care organizations**

**Sponsor: Senator Livingston, LD 22**

**Committee on Ways & Means**

### **Summary of the Strike-Everything Amendment to SB 1116**

#### **Overview**

Prohibits municipalities from levying municipal tax on the business of renting or leasing real property for residential purposes.

#### **History**

Residential rental is the rental of real property for a period of 30 or more consecutive days for residential purposes only. Residential rental properties are subject to transaction privilege tax and imposed when engaged in business under the residential rental classification by the [Model City Tax Code](#). Some cities, not all, opt to tax residential rental income under [Section 445](#) of the Model City Tax Code.

#### **Provisions**

1. Prohibits a city or town from levying a tax or fee on the business of renting or leasing property for residential purposes. (Sec. 1, 2)
2. Establishes that this preemption does not apply to:
  - a) healthcare facilities;
  - b) long-term care facilities;
  - c) hotels;
  - d) motels; or
  - e) other transient lodging businesses. (Sec. 1, 2)
3. Applies regardless of whether the municipality has adopted the model city tax code. (Sec. 1, 2)
4. Repeals 42-6011, which addresses municipal transaction privilege tax on residential rentals. (Sec. 3)
5. Contains a legislative intent clause. (Sec. 4)
6. Contains an effective date of January 1, 2023. (Sec. 5)

☐ Prop 105 (45 votes)

☐ Prop 108 (40 votes)

☐ Emergency (40 votes)

☐ Fiscal Note